GOVERNMENT OF INDIA
SCIENCE AND TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:4653
ANSWERED ON:19.12.2000
INCENTIVES TO RESEARCH DEVELOPMENT
VINAY KUMAR SORAKE

Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

(a) the mechanism adopted for checking the efficiency of Research and Development of the industrial units/corporate firms;

(b) whether any cases of taking under-advantage of the incentives provided by the Government to such industrial units/corporate firms for operating Research and Development have came to the notice of the Government during the last three years;

(c) if so, the details thereof; and

(d) the steps taken/proposed to be taken in this regard?

Answer

MINISTER FOR HUMAN RESOURCE DEVELOPMENT AND SCIENCE & TECHNOLOGY (DR. MURLI MANOHAR JOSHI)

(a) The Department of Scientific and Industrial Research (DSIR) is operating a scheme - `Research and Development by Industry' where recognition is given to in-house R&D units. This recognition is given based on the recommendations of an inter-departmental screening committee and after a detailed evaluation of the R&D unit`s infrastructure, availability and capability of R&D manpower, the nature of R&D projects in progress and those planned for execution in future, the level of R&D spending etc. through discussions and/or visits, wherever required. The

DSIR recognition is given for a maximum period of three years.Recognized units have to submit annual returns indicating progress of their R&D work and have to apply for renewal of recognition, three months in advance of the expiry of their valid recognition. Along with their renewal applications, the units have to furnish full details of their R&D infrastructure, R&D manpower, R&D projects, the level of R&D spending and R&D achievements during the period of recognition.The progress of their R&D work is evaluated by DSIR before granting renewal of recognition for a further maximum period of three years. In case R&D performance of the recognized unit is not satisfactory, the recognition is not renewed and the unit is advised to take specific measures to upgrade its infrastructure and/or intensify its R&D work before reapplying to the department for recognition.

(b)&(c)No specific case of taking under-advantage of incentives provided by the government to industrial units for R&D has been reported to DSIR during the last three years. So far 60 industrial units have applied to DSIR for approval to avail weighted tax deduction u/s 35(2AB) of IT Act. It is hoped that a higher number ofindustrial units would be availing incentives for R&D such as, weighted tax deduction u/s 35(2AB) of IT Act and accelerated depreciation allowance under Rule 5(2) of IT Rules.

(d) Various incentives and support measures provided by the government for research and development are widely publicized by the DSIR through publications like quarterly newsletter- `In-house R&D in Industry `, `Research and Development by Industry: Ar Overview`, conferences/seminars and interactions with industrial units during visits/discussions.